Attachment 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

October 15, 2007

Chief Investment Officer's

Consolidated Investment Activity Report

(August 2007 Reporting Period)

Market Environment – August 31, 2007

General Market Commentary

August was a turbulent month for equity markets around the globe as a result of heightened liquidity concerns in the credit markets. Central banks were forced to intervene by injecting cash into financial markets to ensure credit markets continued to operate accordingly.

Domestic and International Equities

The concerns over the subprime mortgage loan market in the U.S. and the resulting liquidity crunch in the credit markets resulted in a strong sell-off for equity markets during the first half of August. As Central Banks intervened the U.S. equity market posted a positive gain for the entire month of 1.50% (as measured by the S&P 500). International markets were unable to make up the losses suffered in the first part of the month and finished August down 1.54% (as measured by the MSCI EAFE Index.) The emerging markets posted a negative return of 2.09% during August.

Domestic and International Fixed Income

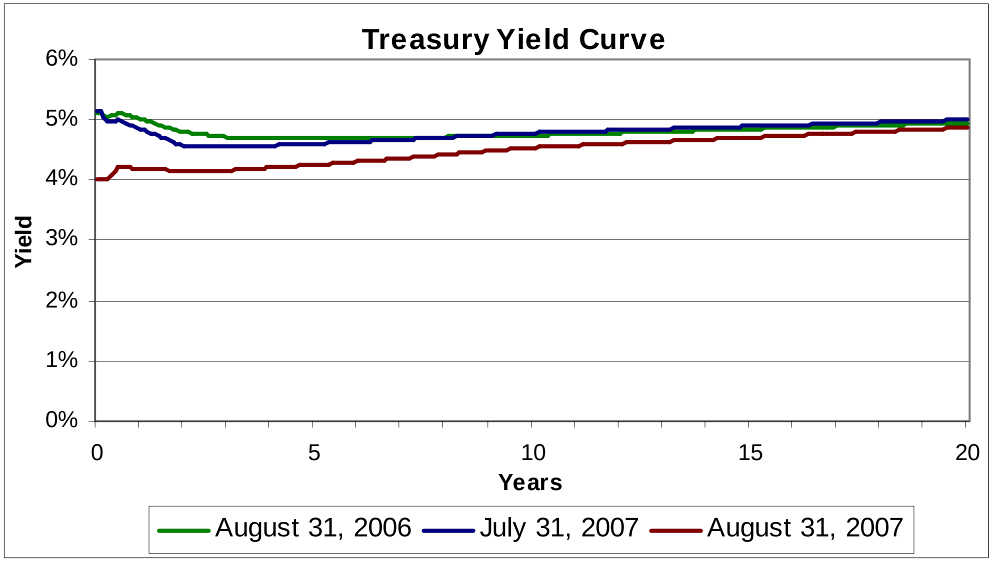
Yields fell sharply in August as investors looked to the bond markets for stability, despite the concerns surrounding the credit markets. The 10-Year U.S. Treasury Yield fell to 4.54% in August and spreads widened. The Lehman Brothers Aggregate Bond Index returned a positive 1.22% return during August. US TIPS were up 0.87% (LB US TIPS) for the month. The high yield market returned 1.12% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned 1.64%, as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate

Real estate, as measured by the MSCI US REIT Index, returned a 6.60% in August. The NCREIF Index of Real Estate Properties returned a positive 4.59% for the quarter ended June 2007.

Private Equity and Absolute Return Strategies

The Venture Economics All Private Equity Index returned 21.77% for the 12 months ended December 2006 and 15.24% for the 10 years ended December 2006. Absolute Return Strategies (CSFB/Tremont Hedge Fund Index) returned -1.53% in August and 13.38% for the 12 months ended August 2007.



MARKET INDICATORS	8/31/2006	Direction	7/31/2007	Direction	8/31/2007
1m LIBOR (fixed in $)	5.33%	▼	5.32%	▲	5.50%
Federal Funds	5.25%	–	5.25%	–	5.25%
10Y Treasury Note Yield	4.73%	▲	4.77%	▼	4.54%
30Y Treasury Bond Yield	4.88%	▲	4.92%	▼	4.83%
DJ-Wilshire 5000 Comp	13,051.47	▲	14,633.47	▲	14,807.65
S&P 500	1,303.82	▲	1,455.27	▲	1,473.99
NASDAQ Composite	2,183.75	▲	2,546.27	▲	2,596.36
FTSE 100 Index	5,906.10	▲	6,360.10	▼	6,303.30
Nikkei 225 Index	16,140.76	▲	17,248.89	▼	16,569.09
Yen/$ (Dollar Strength)	117.350	▲	119.130	▼	115.830
Euro/$ (Dollar Strength)	0.782	▼	0.729	▲	0.733
GBP/$ (Dollar Strength)	0.526	▼	0.491	▲	0.496
Crude Oil per Barrel	$ 70.26	▲	$ 78.21	▼	$ 74.04
Gold ($/oz Daily Spot)	$ 617.75	▲	$ 665.50	▲	$ 672.00
GS Commodities Index	$ 465.87	▲	$ 515.94	▼	$ 495.31

CalPERS Asset Allocation – August 31, 2007

Summary

- Total Fund Market Value was $246.4 Billion
- Total Fund Book Value was $195.6 Billion
- All Asset Classes are within their permissible ranges relative to target ranges and strategic target levels.

Book to Market Value Comparison

	Book Value ($ Billion)	Market Value ($ Billion)	Effective Market Value ($ Billion)	Difference (Market – Book) ($ Billion)
Cash Equivalents	**$2.0**	**$2.0**	**$0.1**	**$0.0**
Domestic Fixed Income	$54.7	$55.9	$55.9	$1.3
International Fixed Income	$6.8	$7.0	$7.0	$0.2
Global Fixed Income	**$61.5**	**$62.9**	**$62.9**	**$1.5**
AIM	$19.3	$17.8	$17.8	-$1.5
Domestic Equity[1]	$55.8	$93.8	$95.0	$38.1
International Equity	$40.1	$49.8	$50.4	$9.7
Global Equity	**$115.1**	**$161.4**	**$163.2**	**$46.3**
Real Estate	**$17.0**	**$20.1**	**$20.1**	**$3.1**
Total Fund	**$195.6**	**$246.4**	**$246.4**	**$50.8**

[1] Included is MDP Investment - LM Capital Investment: Total Book Value**=$196.5 million,** Total Market Value**=$194.5 million**.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 8/31/2007

Company Name	Equity Exposure: Internally Managed Active	Internally Managed Passive	Externally Managed Active	Externally Managed Passive	Total Equity Market Value	Fixed Income Exposure: Internal	External	Sec. Lending(2)	Total FI Market Value	Real Estate Exposure (1)	TOTAL Market Value	% of Total Fund(3)
GENERAL ELECTRIC	187,376,372	1,364,455,165	320,750,187		1,872,581,724	279,544,270	31,178,949	970,277,578	1,281,000,797		**3,153,582,521**	0.89%
EXXON MOBIL CORP	314,604,067	1,675,826,036	394,036,941		2,384,467,044				0		**2,384,467,044**	0.97%
CITIGROUP INC	86,204,632	796,494,950	219,858,808		1,102,558,390	162,321,378	20,213,668	274,791,000	457,326,046		**1,559,884,436**	0.52%
MICROSOFT CORP	212,020,419	944,144,222	233,458,888		1,389,623,529				0		**1,389,623,529**	0.56%
BANK OF AMERICA CORP	113,066,421	784,915,622	208,358,049		1,106,340,092	167,105,940	9,730,042		176,835,982		**1,283,176,074**	0.52%
BERKSHIRE HATHAWAY	233,587,740	628,887,680	5,919,500		868,394,920	305,663,077		50,084,620	355,747,697		**1,224,142,617**	0.48%
AT&T INC	101,707,373	848,813,960	220,946,782		1,171,468,115				0		**1,171,468,115**	0.48%
WAL MART STORES INC	121,773,058	622,533,782	121,896,866		866,203,706	175,660,672			175,660,672		**1,041,864,378**	0.42%
JPMORGAN CHASE & CO	93,240,417	528,498,590	193,751,530		815,490,537	90,475,853	4,705,759	99,488,840	194,670,452		**1,010,160,989**	0.37%
CHEVRONTEXACO CORP	123,329,655	655,235,467	193,052,166		971,617,288				0		**971,617,288**	0.39%
CISCO SYSTEMS INC.	53,892,164	671,391,874	202,649,738		927,933,776	14,733,359			14,733,359		**942,667,135**	0.38%
AMERICAN INTL GROUP INC	76,022,232	586,864,080	150,715,092		813,601,404	14,544,112	8,516,508	100,127,000	123,187,620		**936,789,024**	0.34%
PFIZER INC	97,299,597	606,678,995	200,547,876		904,526,468	16,001,422			16,001,422		**920,527,890**	0.37%
INTERNATIONAL BUSINESS I	130,506,446	567,731,857	206,220,636		904,458,939	7,859,234	2,054,980		9,914,214		**914,373,153**	0.37%
PROCTER + GAMBLE CO	53,355,396	704,988,795	137,233,160		895,577,351	14,113,201			14,113,201		**909,690,552**	0.37%
CONOCOPHILLIPS	70,490,339	469,075,747	119,266,234		658,832,320	233,975,439			233,975,439		**892,807,759**	0.36%
JOHNSON + JOHNSON	87,056,611	613,118,690	147,178,837		847,354,138	13,117,403			13,117,403		**860,471,541**	0.35%
VERIZON COMMUNICATIONS	40,544,279	403,573,270	103,993,149		548,110,698	255,306,807			255,306,807		**803,417,505**	0.33%
AMERICAN EXPRESS CO	70,043,045	241,597,640	26,370,207		338,010,892			425,459,000	425,459,000		**763,469,892**	0.14%
GOOGLE INC.	76,751,640	540,837,315	119,572,522		737,161,477				0		**737,161,477**	0.30%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

CalPERS

Asset Allocation as of August 31, 2007

Total Fund Market Value: **$246,439,757,692**

	Global Equity [1]	Domestic Equity	International Equity	AIM	**Global Fixed**	Domestic Fixed	International Fixed	Cash [2 5]	**Real Estate**	Total Fund
Strategic Target Range %	**61-71%**			3-9%	**21-31%**				**4-12%**	
Strategic Target %	66.0%	40.0%	20.0%	6.0%	26.0%	23.0%	3.0%	0.0%	8.0%	N/A
Cash Market Investment %	65.5%	38.1%	20.2%	7.2%	25.5%	22.7%	2.8%	0.8%	8.2%	N/A
Tactical Overlay %	0.7%	0.5%	0.2%					(0.7%)		N/A
Effective Investment %	66.2%	38.6%	20.5%	7.2%	25.5%	22.7%	2.8%	0.1%	8.2%	N/A
Variance % (Strategic vs. Effective)	**0.2%**	**(1.4%)**	**0.5%**	**1.2%**	**(0.5%)**	**(0.3%)**	**(0.2%)**	**0.1%**	**0.2%**	N/A
Strategic Target $ [3]	$162.7	$98.6	$49.3	$14.8	$64.1	$56.7	$7.4	$.0	$19.7	N/A
Cash Market Investment $ [3 4]	$161.4	$93.8	$49.8	$17.8	$62.9	$55.9	$7.0	$2.0	$20.1	N/A
Tactical Overlay $ [3]	$1.8	$1.2	$0.6					($1.8)		N/A
Effective Investment $ [3 4]	$163.2	$95.0	$50.4	$17.8	$62.9	$55.9	$7.0	$0.1	$20.1	N/A
Variance $(Strategic vs. Effective) [3 4]	**$0.6**	**($3.5)**	**$1.1**	**$3.0**	**($1.1)**	**($0.7)**	**($0.4)**	**$0.1**	**$0.4**	N/A
% Passive	54.5%	69.4%	45.8%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	35.7%
% Active	45.5%	30.6%	54.2%	100.0%	100.0%	100.0%	100.0%	100.0%	94.2%	64.3%
% Internal	58.6%	74.8%	49.0%	0.0%	88.9%	100.0%	0.0%	100.0%	5.8%	62.4%
% External	41.4%	25.2%	51.0%	100.0%	11.1%	0.0%	100.0%	0.0%	94.2%	37.6%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.
* When summing amounts on this report, there may be breakage.
* MDP Venture accounts included in MDP's primary asset class. MDP Fixed, CalPERS Hedge Fund, and Enhanced Index Equity roll to External Domestic Equity.

[1] Includes AIM

[2] Cash includes SMIF at STO.

[3] ($ Billion)

[4] Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

[5] Approximately $1.8 Billion notional in Equity Futures were purchased to equitize cash.

Private Market Commitment as of August 31, 2007

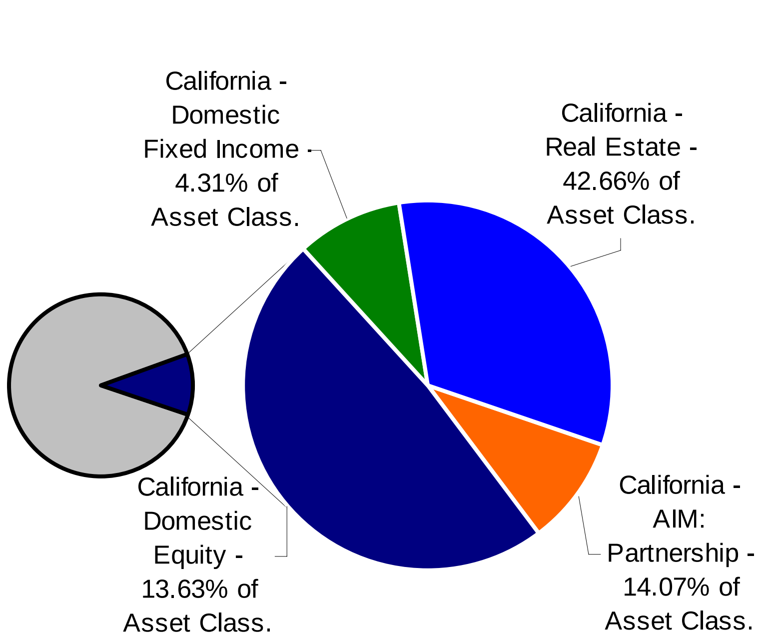
AIM				**Real Estate**			
Funded	**$(in Billions)**	**% Allocation**	**Target Range**	**Funded**	**$(in Billions)**	**% Allocation**	**Target Range**
Fair Market Value (FMV)	$17.77	7.2%	**3-9%**	Fair Market Value (FMV)	$20.12	8.2%	**4-12%**
Unfunded Commitment	$22.00	8.9%		Unfunded Commitment	$14.66	5.9%	
Fair Market Value plus Unfunded Commitment	**$39.77**	**16.1%**		**Fair Market Value plus Unfunded Commitment**	**$34.78**	**14.1%**	

CalPERS Investments in the State of California – August 31, 2007

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

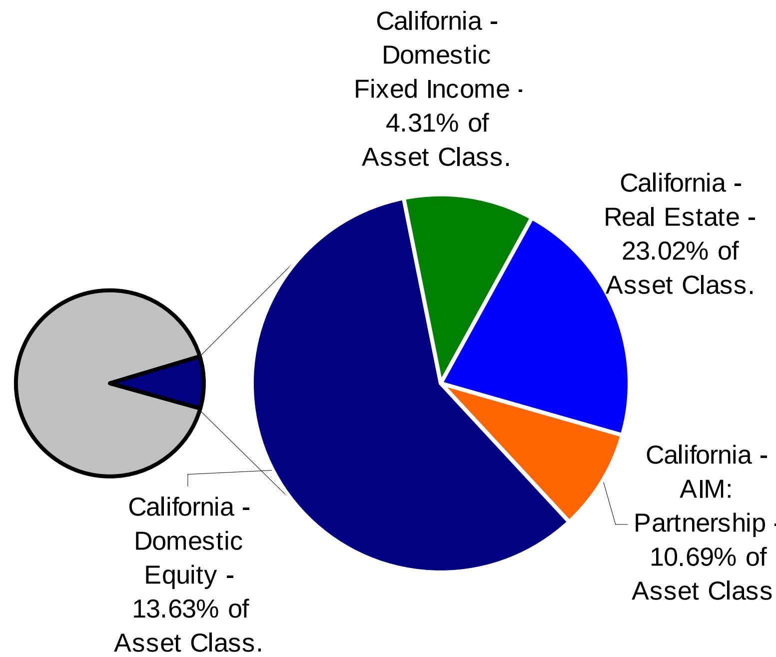
California Commitments (includes unfunded investments)

Current California Commitments at 8/31/2007 Total Fund %: 10.67%



California Investments

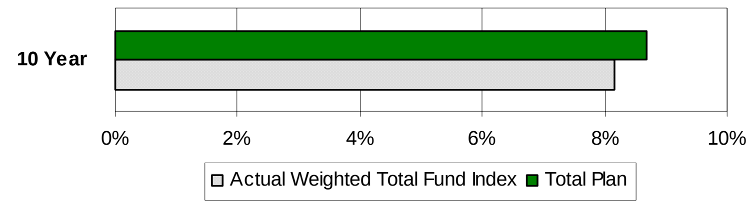
Current California Investments at 8/31/2007 Total Fund %: 8.82%



Performance Summary – August 31, 2007

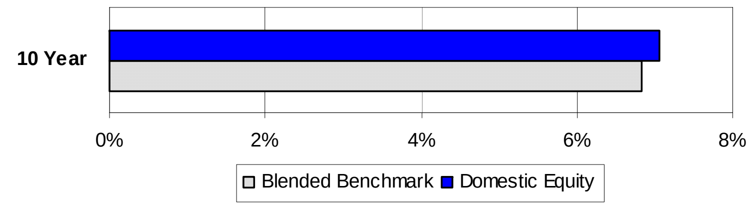
Total Plan:

Net Total Fund returns have exceeded the Actual Weighted Total Fund Index in all time periods except during the current month, past three months and fiscal-year-to-date time periods. Ten-year net returns were 8.67% versus 8.16% for the actual weighted index.



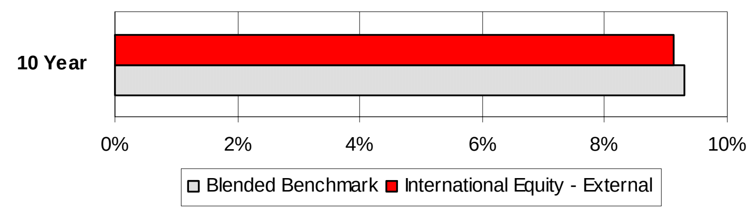
Domestic Equity:

Net Domestic Equity returns have outperformed the Blended Index in the five- and ten-year time periods, but have underperformed during the past month, quarter, fiscal-year-to-date, calendar year-to-date, one-, and three-year time periods. Ten-year net returns were 7.07% versus 6.83% for the blended benchmark.



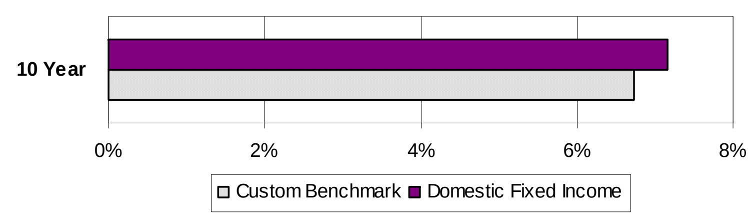
International Equity:

Net International Equity (External) returns including currency overlay underperformed the blended benchmark during the current month, fiscal-year-to-date, five- and ten-year time periods but outperformed in all other periods. Ten-year net returns were 9.12% (9.45% without currency overlay) versus the 9.29% blended benchmark return. The Internal portfolio has returned 22.98% since its 5/1/2005 inception, exceeding its benchmark of 22.65%.



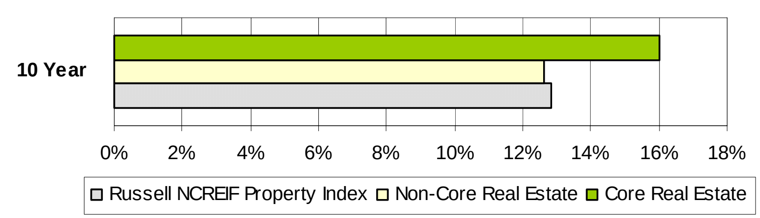
Domestic Fixed Income:

Net Domestic Fixed Income returns have exceeded the benchmark in all time periods except during the current month and fiscal-year-to-date. Ten-year net returns were 7.16% versus 6.74% for the benchmark.



Real Estate:

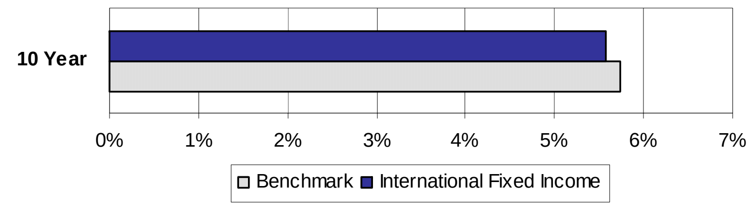
Net returns for the Core Real Estate Portfolio have exceeded the NCREIF Property benchmark during the three-, five-, and ten-year time periods but have underperformed in the one-year and shorter time periods. Non-core portfolio returns have exceeded the benchmark in the three- and five-year time periods, but underperformed during the ten-year period and time periods one-year and less. Ten-year net returns were 16.02% for the Core Real Estate portfolio and 12.60% for Non-Core Real Estate, versus 12.86% for the lagged benchmark.



Performance Summary – August 31, 2007

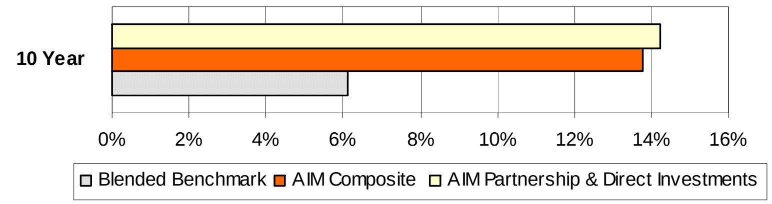
International Fixed Income:

Net International Fixed Income returns have underperformed the benchmark during the current month, quarter, fiscal-year-to-date, calendar year-to-date, one-, three-, and ten-year time periods while outperforming during the five-year time period. Ten-year net returns were 5.57% versus 5.74% for the benchmark.



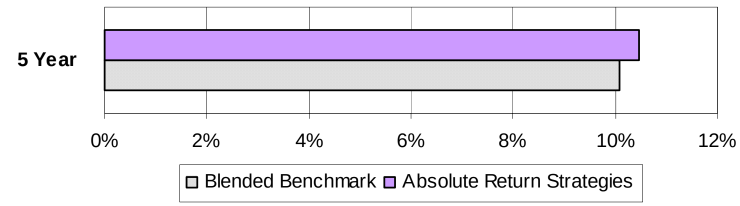
Alternative Investments:

Net returns for the Alternative Investments portfolio have exceeded the custom blended benchmark in all time periods except during the current month. Ten-year net returns for the AIM Composite, which includes distributed stock, were 13.78% exceeding the ten-year custom blended benchmark return of 6.13%. Ten-year net returns for the AIM Partnership & Direct Investments were 14.25%.



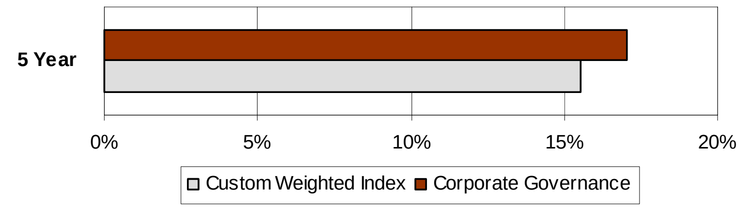
Absolute Return Strategies:

Net Absolute Return Strategies returns have exceeded the blended benchmark in all time periods except during the current month, quarter, fiscal-year-to-date, and calendar year-to-date time periods. Five-year net returns were 10.48% versus 10.08% for the blended benchmark.



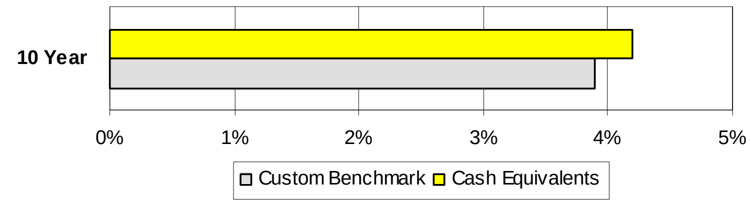
Corporate Governance:

Net returns for Corporate Governance Investments have exceeded the custom benchmark in all time periods except during the current month, quarter, fiscal-year-to-date and calendar year-to-date time periods. Five-year net returns were 17.06% versus 15.53% for the weighted index.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have met or exceeded the benchmark in all time periods. Ten-year net returns were 4.20% versus 3.90% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
GROSS RATES OF RETURN
Period Ending August 31, 2007

	MKT VAL (000'S)	One Month Aug 07	QTR Jun - Aug 07	FYTD 06-07	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	246,439,758	0.39	-0.95	-0.52	6.83	15.31	14.75	13.68	8.85
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		0.83	-0.68	-0.16	6.47	14.09	13.41	12.57	8.02
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		0.64	-0.59	-0.37	6.63	14.82	13.61	12.75	8.16
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	86,293,502	1.15	-3.55	-2.15	5.69	15.80	12.99	12.94	7.10
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		1.35	-3.24	-1.85	5.86	15.93	13.01	12.91	6.83
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	21,869,312	-2.54	-0.41	-1.75	12.53	26.11	26.12	22.02	9.51
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	21,841,844	-2.50	-1.10	-2.39	11.67	24.48	25.32	20.72	9.18
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY		-1.65	-1.50	-2.15	10.45	22.80	24.84	21.54	9.29
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	22,742,396	-1.40	-2.39	-2.73	8.74	19.86			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAI		-1.39	-2.44	-2.72	8.62	19.71			
SWCG - INTERNATIONAL EQUITY TRANSITION	54,091	-9.01	-9.92	-10.43	-12.30	-2.67			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	5,912,122	-1.69	-1.77	-1.96	5.75	13.72	12.38	10.89	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY		1.15	3.05	2.14	7.21	10.66	8.68	10.08	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,483,531	-0.89	-5.57	-5.73	3.50	14.57	17.04	17.61	
CPERSGC2 - CALPERS CORPORATE GOVERANCE IC (DAILY		-0.70	-4.31	-3.63	3.76	11.81	15.73	15.53	
MDP DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	194,515	0.70	1.32	1.51	2.93	5.26	3.90	5.67	
X40D - CITIGROUP BIG (DAILY)		1.35	1.91	2.27	3.18	5.35	3.79	4.41	6.08
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOM FIXED	55,940,092	1.40	1.76	2.44	3.19	5.90	5.04	6.83	7.16
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		1.46	1.69	2.46	2.69	5.01	4.14	5.20	6.74
INTERNATIONAL									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	6,992,611	1.11	3.62	4.29	3.62	5.31	4.34	7.77	5.65
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		1.51	3.94	4.69	3.96	5.87	4.55	7.58	5.74
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	1,464,705	0.45	1.34	0.90	3.57	5.47	4.28	3.11	4.20
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.45	1.34	0.90	3.57	5.42	4.13	2.93	3.90
ALTERNATIVE INVESTMENTS									
SJAIM - AIM COMPOSITE	17,765,772	0.88	5.26	5.38	18.79	23.50	22.54	14.61	13.79
(1)SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	17,605,736	0.87	5.32	5.44	18.86	23.50	22.37	14.54	14.25
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (Daily)		1.18	3.57	2.37	9.82	15.84	17.38	10.42	6.13
SW2V - AIM DISTRIBUTION STOCK	160,036	2.72	-0.80	-1.10	11.31	27.15	20.98	19.81	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,928,790	0.00	3.20	0.00	5.86	19.80	31.93	22.24	18.04
SW7KA1 - TOTAL NON-CORE REAL ESTATE	9,186,805	0.25	-2.05	-0.98	5.63	16.71	29.90	24.57	15.95
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	3.62	0.00	8.29	16.59	17.42	13.73	12.86

(1) SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank

Excludes MDP venture accounts in composites SW9C, SWDC.

Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

This report prepared by State Street Bank

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
CIO REPORT
NET RATES OF RETURN
Period Ending August 31, 2007

	MKT VAL (000'S)	One Month Aug 07	QTR Jun - Aug 07	FYTD 06-07	CYTD 2007	1 Year	3 Years	5 Years	10 Years
TOTAL PLAN									
SJ1CA1 - TOTAL FUND	246,439,758	0.39	-1.00	-0.52	6.71	15.00	14.40	13.39	8.67
CPERSTO2 - CALPERS POLICY INDEX (DAILY)		0.83	-0.68	-0.16	6.47	14.09	13.41	12.57	8.02
CPERSI02 - ACTUAL WEIGHTED TOTAL FUND INDEX (DAILY)		0.64	-0.59	-0.37	6.63	14.82	13.61	12.75	8.16
GLOBAL EQUITY									
DOMESTIC									
SH8CA1 - TOT DOM EQ+IND HG+ENV EX VENT, HDG, CG	86,293,502	1.15	-3.55	-2.15	5.68	15.78	12.96	12.92	7.07
Y082 - WILSHIRE 2500 EX TOBACCO (BLENDED) (DAILY)		1.35	-3.24	-1.85	5.86	15.93	13.01	12.91	6.83
INTERNATIONAL - EXTERNAL									
SHBCA1 - INTL TOT EXT EQ+MDP+IND HG, EX OVLY EX V	21,869,312	-2.56	-0.44	-1.77	12.42	25.94	26.01	21.93	9.45
SHBKA1 - INTL TOT EXT EQ+MDP+IND HG+OVLY EX VT	21,841,844	-2.52	-1.14	-2.41	11.55	24.30	25.20	20.61	9.12
CPERIN2D - CALPERS FTSE AW EX US/SSGA BLEND (DAILY)		-1.65	-1.50	-2.15	10.45	22.80	24.84	21.54	9.29
INTERNATIONAL - INTERNAL									
SWEAB - INTERNAL INTL PASSIVE ALLOCATION	22,742,396	-1.40	-2.39	-2.73	8.74	19.86			
QR32 - CALPERS FTSE DEV WORLD EX US&TOBACCO(DAILY)		-1.39	-2.44	-2.72	8.62	19.71			
SWCG - INTERNATIONAL EQUITY TRANSITION	54,091	-9.01	-9.92	-10.43	-12.30	-2.67			
HEDGE FUND INVESTMENTS									
SNLCA1 - TOTAL ARS PROGRAM COMPOSITE	5,912,122	-1.75	-2.00	-2.03	5.49	13.29	12.11	10.48	
CPERHED2 - TOTAL ARS PROGRAM BLENDED INDEX (DAILY)		1.15	3.05	2.14	7.21	10.66	8.68	10.08	
CORPORATE GOVERNANCE									
SWMKA1 - CORPORATE GOVERNANCE	5,483,531	-0.89	-5.64	-5.80	3.23	14.17	16.62	17.06	
CPERSGC2 - CALPERS CORPORATE GOVERANCE IC (DAILY)		-0.70	-4.31	-3.63	3.76	11.81	15.73	15.53	
MDP DOM FIXED INCOME-INVESTMENTS									
SN1KA1 - MDP I DOM FIXED INCOME-INVESTMENTS	194,515	0.70	1.32	1.51	2.89	5.18	3.76	5.49	
X40D - CITIGROUP BIG (DAILY)		1.35	1.91	2.27	3.18	5.35	3.79	4.41	6.08
GLOBAL FIXED INCOME									
DOMESTIC									
SJDKA1 - TOTAL DOM FIXED	55,940,092	1.40	1.76	2.44	3.18	5.90	5.03	6.82	7.16
CALCCLP2 - CALPERS CUSTOM LEH LPF (DAILY)		1.46	1.69	2.46	2.69	5.01	4.14	5.20	6.74
INTERNATIONAL									
SJDCA1 - TOTAL INTERNATIONAL FIXED INCOME	6,992,611	1.10	3.61	4.28	3.58	5.25	4.27	7.69	5.57
CALWGXU2 - CALPERS WORLD GOVT X US (DAILY)		1.51	3.94	4.69	3.96	5.87	4.55	7.58	5.74
CASH EQUIVALENTS									
SJVKA1 - TOTAL CASH	1,464,705	0.45	1.34	0.90	3.57	5.47	4.28	3.11	4.20
Y8K2 - PERS CUSTOM STIF NET OF FEES (DAILY)		0.45	1.34	0.90	3.57	5.42	4.13	2.93	3.90
ALTERNATIVE INVESTMENTS									
SJAIM - AIM COMPOSITE	17,765,772	0.88	5.25	5.37	18.78	23.49	22.53	14.60	13.78
(1) SJXKA1 - AIM: PARTNERSHIP & DIRECT INVESTMENTS	17,605,736	0.87	5.32	5.44	18.86	23.50	22.37	14.54	14.25
CPERYCX2 - Wilshire 2500 Plus 500 bps/CYFU Blend (Daily)		1.18	3.57	2.37	9.82	15.84	17.38	10.42	6.13
SW2V - AIM DISTRIBUTION STOCK	160,036	2.72	-1.14	-1.44	9.89	25.16	19.46	18.36	
REAL ESTATE									
SW3CA1 - CORE REAL ESTATE	10,928,790	0.00	3.00	0.00	5.55	16.53	27.04	19.06	16.02
SW7KA1 - TOTAL NON-CORE REAL ESTATE	9,186,805	0.24	-2.64	-1.00	3.76	13.12	22.75	19.22	12.60
ZLWD - NCREIF PROPERTY 1 QTR LAG (DAILY)		0.00	3.62	0.00	8.29	16.59	17.42	13.73	12.86

(1) SJXKA1 actual inception 3/90, returns only available since conversion to State Street Bank Excludes MDP venture accounts in composites SW9C, SWDC.
Private Real Estate valued at prior quarter-end; Public Real Estate valued at current month-end.

This report prepared by State Street Bank

Affiliate Funds Reports

Closed Session Transactions

- No items to report

Activity Reports

- Staff prepares activity reports for the AIM, Absolute Return Strategies and Opportunistic Real Estate Programs. Detailed reports and investment summaries for the AIM and Risk Managed Absolute Return Strategies are included in the supplemental reporting document. Opportunistic Real Estate Investments will be reported below as they occur.

AIM Activity Report

Activity	Month	2004	2005	2006	2007 YTD	Since Inception
Investment Proposals Received	41	381	316	303	326	6,408
Declined/Referred/Failed to Materialize	34	223	429	261	280	5,134
Deals in Screening	35	397	319	301	326	3,422
Due Diligence Reviews	26	65	59	61	55	647

Risk Managed Absolute Return Strategies Program Activity Report

Activity	2004	2005	2006	2007	Since Inception
Information Received	59	59	69	61	687
Declined	12	7	1	0	243
Deals in Screening	45	58	68	61	432
Due Diligence Reviews	6	18	52	36	145
Approved by ARS Board	4	7	9	4	37
Funded Investments ($ Millions)	$149	$783	$1,809	$1,439	$4,759

Opportunistic Real Estate Investments Activity Report

Fund Name	Allocation Committed
LaSalle Asia Opportunity Fund III	$200,000,000.00
Xander JV Fund I LLC	$25,000,000.00
Xander Cassander L.P.	$175,000,000.00
CIM Infrastructure	$200,000,000.00

Quarterly / Annual Report(s)

According to policy requirements, the following is summary information extracted from the quarterly and annual report(s) prepared for Investment Committee consideration. Executive Summaries and Full Reports are available in the supplemental reporting document.

AIM Program:

Portfolio Summary

- As of June 30, 2007, the AIM Program had a total exposure of $38.8 billion. Total exposure is the current reported value of investments plus the remaining amount of unfunded commitments.

- Since inception, the AIM Program has made contributions of $26.2 billion, received distributions of $21.0 billion and has a remaining reported value of $16.9 billion. Of the $21.0 billion in distributions, $11.8 billion represents realized gains, income and dividends. During 2004 and 2005, the Program had been self-funding. However, this was not the case in 2006 and in the first half of 2007 due to recent increases in the Program's commitments. During the first half of 2007, the Program's contributions exceeded its distributions by $0.6 billion.

.

Performance

- Since inception to June 30, 2007, the AIM Program generated a net IRR of 14.1%. At June 30, 2007, the public market ten-year rolling average return for the CalPERS' Custom Wilshire 2500 Index plus 300 basis points was 11.2%.
- As of June 30, 2007, the weighted average age of all of the current investments in the AIM portfolio was 3.6 years. Consequently, a large portion of the portfolio is in the early stage of its investment life, when payment of fees has not been offset by young investments that are held at cost. This is known as the J-Curve effect.
- To address the young age of the partnership portfolio, CalPERS adopted a short-term benchmark, the Venture Economics Custom Young Fund Universe. The benchmark measures performance of the AIM partnerships in the first five years of life against a similarly aged universe of Venture Economics data. As of March 31, 2007, the AIM young fund net internal rate of return ("IRR") was 27.6% which exceeded the estimate of the Custom Young Fund Universe median return of 6.0% by 2,160 basis points. The AIM Program is displaying solid returns for a young portfolio.

Economically Targeted Investments Program:

Under the CalPERS' Economically Targeted Investments Program Policy, Staff is directed to report annually to the Investment Committee the Fund's investment in underserved areas of California. All told, CalPERS' investments and commitments to underserved areas of California totaled $4.815 billion, equal to approximately 1.94% of CalPERS' total assets, which is just under our stated goal of 2%. CalPERS continues to work with its partners to find investment opportunities that meet the goals of this policy and provide competitive risk-adjusted rates of return.

Real Estate

Our Real Estate Program investments in underserved areas of California through the CURE Program, Senior Housing, AFL-CIO Building Investment Trust, Opportunity Funds, and Single Family Housing. This asset class has total commitments and investments of approximately $2,618 million to underserved areas of California.

Alternative Investments

The AIM Program participates in underserved areas through the California Initiative Program which has also committed $1,040 million to 11 partnerships. In addition, the AIM unit participates in underserved areas through other fund commitments. This asset class has total commitments and investments of approximately $1,885 million to underserved areas of California.

Fixed Income

Fixed Income invests in underserved areas of California through the Community Redevelopment Act (CRA), CMO's with CRA Collateral, and the California Community Mortgage Fund. This asset class has total commitments and investments of approximately $312.5 million to underserved areas of California.

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

<u>Portfolio Summary and Transactions Report:</u>

- Purchases – Internal Management (Page 16)
- Sales – Internal Management (Page 17)
- Currency Hedge Portfolio Summary (Page 18)
- Currency Hedge Portfolio Transactions (Page 18)

<u>Investment Transaction Information</u>: (full reporting is available in the supplemental reporting document)

- Fixed Income Transactions
    - Internal Domestic
    - External International and High Yield
    - Special Mortgage Investment Program Transactions
    - High Yield Performance
- Equity Summary & Transactions
    - Internal Domestic
    - Corporate Actions
    - External Domestic
    - External International
- Internal Programs
    - Real Estate Transactions Summary
        - Dispositions Summaries
            - No items to report
        - Acquisitions Summaries
            - Centerline – Bristol Park, CalPERS equity share $9,561,089.00
            - Centerline – Westwood Bluffs, CalPERS equity share $4,094,872.00
            - LaSalle/CalEast – 4530 36th Street, CalPERS equity share $491,927.00
            - AEW – Crabapple Senior Housing, CalPERS equity share $1,601,560.00
            - LaSalle/CalEast – ANC Delta Complex, CalPERS equity share $3,588,016.00
            - LaSalle/CalEast – Depolabo, CalPERS equity share €11,193,627.00
            - Blackrock – Clifton, CalPERS equity share $38,326,604.00
            - LaSalle/CalEast – 204-208 North Avenue, CalPERS equity share $4,499,389.00

Investment Transactions

<u>Investment Transaction Information (continued)</u>: (full reporting is available in the supplemental reporting document)

- AIM Program Transactions
  - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Investments Completed under Delegation of Authority
  - Investment Summaries
    - Advent Latin America PE Fund IV, LP, $200 million commitment
    - Ares Distressed Securities Fund, LP, $150 million commitment
    - ESP Golden Bear Europe Fund, LP, €400 million commitment
    - KH Growth Equity Fund, LP, $50 million commitment
    - Lion Capital Fund II, LP, €150 million commitment
- Internally Managed Derivative Transactions Summary
  - Investment Summaries
    - Futures purchases: $3,656.7 million notional
    - Futures sales: $4,808.2 million notional
- Risk Managed Absolute Return Strategies Program Transactions
  - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
  - Investment Summaries
    - No items to report

INVESTMENT TRANSACTONS SUMMARY

($ Millions)
July 2007

PURCHASES

INTERNAL MANAGEMENT

	PAR	COST	ANNUALIZED YIELD	%OF LONG TERM PURCHASES
ALTERNATIVE INVESTMENTS:				
Partnership Component	$2,021.3	$2,047.4	N/A	9.89%
BONDS:				
Utilities & Industrials	$512.6	$499.0	6.80%	2.41%
Sovereign	100.3	99.0	5.63%	0.48%
Total	612.9	$598.0		2.89%
GOVERNMENTS:				
U.S. Agencies & Treasuries	$2,016.0	$2,001.4	5.10%	9.67%
MORTGAGE SECURITIES:				
Pass-Through	$563.5	$531.0	6.06%	2.57%
CMO	3,193.5	3,137.0	6.02%	15.15%
Total	$3,757.0	$3,668.0		17.72%
EQUITIES:				
Common Stock		$6,000.0	N/A	28.99%
EXTERNAL MANAGEMENT				
EQUITIES AND FIXED INCOME:				
International Common Stock		$2,540.2	N/A	12.27%
Domestic Common Stock		2,255.1	N/A	10.89%
International Fixed Income		1,589.6	N/A	7.68%
Total		$6,384.9		30.85%
TOTAL PURCHASES:		**$20,699.7**		**100%**

INVESTMENT TRANSACTONS SUMMARY

($ Millions)
July 2007

SALES

INTERNAL MANAGEMENT

	PAR	COST	PROCEEDS	GAIN/ LOSS
ALTERNATIVE INVESTMENTS:				
Partnership Component	90.6	$142.0	$142.0	$0.0
BONDS:				
Utilities & Industrials	100.0	$102.0	$99.0	($3.0)
Sovereign	113.2	110.0	110.4	0.4
Total	213.2	$212.0	$209.4	-$2.6
GOVERNMENTS:				
U.S. Agencies & Treasuries	977.4	$968.4	$960.2	($8.2)
MORTGAGE SECURITIES:				
Pass-Through	2,379.5	$2,344.9	$2,323.1	(21.8)
CMO	0.0	$0.0	0.0	0.0
Total	2,379.5	$2,344.9	$2,323.1	($21.8)
EQUITIES:				
Common Stock		$8,337.1	$9,154.0	$816.9
EXTERNAL MANAGEMENT				
EQUITIES AND FIXED INCOME:				
International Common Stock		$1,970.9	$2,476.9	$506.0
Domestic Common Stock		2,025.8	2,126.4	$100.6
International Fixed Income		1,478.5	1,480.7	2.2
Total		$5,475.2	$6,084.0	$608.8
TOTAL SALES:		**$17,479.6**	**$18,872.7**	**$1,393.1**

CURRENCY HEDGE PORTFOLIO SUMMARY

($ Millions)
July 2007

PENDING FX CONTRACTS	COST	MARKET VALUE
Total FX Purchased	$6,965.7	$7,009.6
Total FX Sold	$11,821.8	$11,872.8
CURRENCY OPTIONS		
Currency Puts	($6,969,226.9)	($6,969,226.9)

"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

($ Millions)
July 2007

PURCHASES	COST
Pending FX Contracts	$7,690.3
SALES	**PROCEEDS**
Pending FX Contracts	$6,943.3

Affiliate Funds Reports

Staff has compiled the following Affiliate Funds Allocation Reports for the period ending August 31, 2007.

Annuitants' Health Care Fund:

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$63,484.22	0.27%	$63,484.22	0.27%
DOMESTIC EQUITY	$11,094,084.57	46.41%	$10,942,705.78	46.13%
FIXED INCOME	$5,798,727.30	24.26%	$5,880,215.11	24.79%
INTERNATIONAL EQUITY	$6,950,000.00	29.07%	$6,834,702.50	28.81%
TOTAL	$23,906,296.09		$23,721,107.61	

Judges' Retirement Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$3,275,747.34	100.00%	$3,275,747.34	100.00%
TOTAL	$3,275,747.34		$3,275,747.34	

Judges II Retirement Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$6,586.81	0.00%	$6,586.81	0.00%
DOMESTIC EQUITY	$91,749,594.17	40.84%	$111,923,113.99	43.91%
FIXED INCOME	$88,626,485.19	39.45%	$90,721,478.02	35.59%
INTERNATIONAL EQUITY	$44,280,940.85	19.71%	$52,232,162.45	20.49%
TIPS	$0.00	0.00%	$0.00	0.00%
TOTAL	$224,663,607.02		$254,883,341.27	

Affiliate Funds Reports

Legislators' Retirement Fund:

Asset Class	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$2,226.35	0.00%	$2,226.35	0.00%
DOMESTIC EQUITY	$34,980,439.82	27.03%	$43,357,039.19	30.53%
FIXED INCOME	$73,186,406.06	56.55%	$74,927,492.04	52.76%
INTERNATIONAL EQUITY	$11,948,061.09	9.23%	$14,097,571.24	9.93%
TIPS	$9,293,413.04	7.18%	$9,630,217.26	6.78%
TOTAL	$129,410,546.36		$142,014,546.08	

Long Term Care Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$73,393.82	0.00%	$73,393.82	0.00%
DOMESTIC EQUITY	$622,152,536.81	31.44%	$763,132,843.98	34.18%
FIXED INCOME	$881,809,238.03	44.57%	$923,723,502.68	41.37%
INTERNATIONAL EQUITY	$365,323,708.05	18.46%	$431,611,606.58	19.33%
TIPS	$109,206,701.52	5.52%	$114,457,695.65	5.13%
TOTAL	$1,978,565,578.23		$2,232,999,042.71	

Public Employees' Medical & Hospital Care Act Contingency Reserve Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$5,805,844.18	100.00%	$5,805,844.18	100.00%
TOTAL	$5,805,844.18		$5,805,844.18	

Affiliate Funds Reports

Supplemental Contribution Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$102,732.94	0.53%	$102,732.94	0.45%
DOMESTIC EQUITY	$9,269,673.20	47.94%	$11,721,177.65	51.75%
FIXED INCOME	$6,120,482.83	31.65%	$6,265,783.62	27.66%
INTERNATIONAL EQUITY	$3,842,338.17	19.87%	$4,559,451.05	20.13%
TIPS	$0.00	0.00%	$0.00	0.00%
TOTAL	$19,335,227.14		$22,649,145.26	

Volunteer Firefighters Length of Service Award Fund:

Asset	Book Value	Percent of Portfolio	Market Value	Percent of Portfolio
CASH	$5,797.88	0.19%	$5,797.88	0.16%
DOMESTIC EQUITY	$2,557,378.84	83.33%	$2,790,183.37	79.20%
INTERNATIONAL EQUITY	$505,703.17	16.48%	$727,119.25	20.64%
TOTAL	$3,068,879.89		$3,523,100.50	